

**SECOND AMENDMENT TO AGREEMENT
PROVIDING FOR IMPLEMENTATION OF
THE SANTA CLARA VALLEY URBAN RUNOFF
POLLUTION PREVENTION PROGRAM**

THIS SECOND AMENDMENT TO AGREEMENT PROVIDING FOR IMPLEMENTATION OF THE SANTA CLARA VALLEY URBAN RUNOFF POLLUTION PREVENTION PROGRAM (the “Amendment”) is entered into by and between the SANTA CLARA VALLEY WATER DISTRICT, a local public agency of the State of California (“District”); CITY OF CAMPBELL, a municipal corporation of the State of California; CITY OF CUPERTINO, a municipal corporation of the State of California; CITY OF LOS ALTOS, a municipal corporation of the State of California; TOWN OF LOS ALTOS HILLS, a municipal corporation of the State of California; TOWN OF LOS GATOS, a municipal corporation of the State of California; CITY OF MILPITAS, a municipal corporation of the State of California; CITY OF MONTE SERENO, a municipal corporation of the State of California; CITY OF MOUNTAIN VIEW, a municipal corporation of the State of California; CITY OF PALO ALTO, a municipal corporation of the State of California; CITY OF SAN JOSE, a municipal corporation of the State of California; CITY OF SANTA CLARA, a municipal corporation of the State of California; CITY OF SARATOGA, a municipal corporation of the State of California; CITY OF SUNNYVALE, a municipal corporation of the State of California; and COUNTY OF SANTA CLARA, a political subdivision of the State of California.

All of the above-mentioned entities are hereinafter collectively referred to as “Parties” or individually as “Party.”

RECITALS

A. The Parties previously entered into that certain Agreement Providing For Implementation of the Santa Clara Valley Urban Runoff Pollution Prevention Program (the “Agreement” or “MOA”) pursuant to which the Parties established certain terms and conditions relating to the implementation and oversight of the Santa Clara Valley Urban Runoff Pollution Prevention Program (the “Program”), including a cost sharing allocation, which was appended thereto as Exhibit A. A copy of the Agreement, including Exhibit A, is attached hereto as Appendix 1. Unless otherwise set forth herein, all terms shall have the meaning set forth in the Agreement;

B. The Agreement originally provided for a five year term, which, based on its execution, was set to conclude on or about March 10, 2005. However, on or about February 20, 2005, the Parties unanimously entered into a First Amendment to the Agreement (attached hereto as Appendix 2), which extended the term of the Agreement by one additional year and, during that year, directed the Program to undertake a management and cost allocation review. The Program used an independent contractor to conduct the management and cost allocation review, which was completed and submitted to the Management Committee in November 2005.

C. The Parties expect to utilize the Program to continue to represent their interests in negotiating the terms of a renewed NPDES Permit, which may manifest itself in a Municipal Regional Permit ("MRP"), in 2006, and to otherwise address a variety of matters related to assisting the Parties in effectuating compliance with the Permit and/or MRP after March 10, 2006;

D. The Parties also expect to continue to utilize the Program's preferred approach of achieving consensus to resolve issues and reach decisions, and to rely on the Majority Vote mechanism set forth in Section 2.08 of the Agreement at the Management Committee level only when consensus-based resolutions appear or become elusive.

E. The Parties desire to update the Agreement and extend the term of the MOA as set forth below;

F. Section 7.02 of the MOA provides that it may be amended by the unanimous written agreement of the Parties and that all Parties agree to bring any proposed amendments to their Council or Board, as applicable, within three (3) months following acceptance by the Management Committee; and

G. The Program's Management Committee accepted this Amendment for referral to the Parties' Councils and/or Boards at its meeting on December 15, 2005.

NOW, THEREFORE, THE PARTIES HERETO FURTHER AGREE AS FOLLOWS:

1. Recognition of Current Permit. Recital F of the Agreement is hereby amended by the following additional subsections:

3. Order No. (re-issued NPDES Permit No. CAS029718); adopted February 21, 2001;

4. Order No. (Modification to re-issued NPDES Permit No. CAS029718); adopted October 17, 2001;

5. Order No. (Further Modification to re-issued NPDES Permit No. CAS029718); adopted July 20, 2005.

2. Cost Sharing Allocation. Effective with fiscal year 2007, the following footnote shall be deemed to have been added to "Exhibit A" of the MOA and to be shown by means of an asterisk placed immediately following the Proportional Share of "30.02%" shown for the District:

*One-third of the District's 30.02% contribution will be from funding derived by the District from Outcome 2 and Activity 2.5 of the voter-adopted Clean Safe Creeks program; the remaining two-thirds of the District's contribution will be derived by the District from property tax revenues.

3. Contracting/Fiscal Agent. Section 4.02 of the Agreement is hereby replaced by the following:

In March 2005, the District notified the Management Committee that it was withdrawing as the Contracting/Fiscal Agent within ninety (90) days; the City of Sunnyvale thereafter agreed to serve as the Contracting/Fiscal Agent and was nominated to do so by another Party and selected as the Program's Contracting/Fiscal Agent by a majority vote of the Management Committee.

4. Extension of Term of Agreement. Sections 6.02 and 6.02.01 of the Agreement, as previously amended, are hereby replaced as follows:

This Agreement shall have a term extending one fiscal year beyond the date the next NPDES Permit issued to the Parties by the RWQCB-SFBR after January 1, 2006 terminates in effect, including as it may be administratively extended pursuant to the NPDES regulations.

5. Superseding Effect. This Second Amendment of the Agreement shall supersede and replace the First Amendment of the Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of March 10, 2006.

Santa Clara Valley Water District: By: _____
Name: _____
Title: _____
Date: _____

County of Santa Clara: By: _____
Name: _____
Title: _____
Date: _____

City of _____: By: _____
Name: _____
Title: _____
Date: _____

Appendix 1

Agreement Providing For Implementation
of the Santa Clara Valley Urban Runoff
Pollution Prevention Program
as fully executed as of March 10, 2000

Appendix 2

First Amendment to Agreement Providing For Implementation
of the Santa Clara Valley Urban Runoff
Pollution Prevention Program
as fully executed as of March 10, 2005